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# Commonwealth

Savings & Loan Corporation

**7<sup>TH</sup>** Annual  
Report

YEAR ENDED DEC 31, 1966

## *Directors of the company*

*John W. M. Campbell*

*R. Robert Easton, Q.C.*

*Allan J. Hammond*

*Robert W. Macaulay, Q.C.*

*George S. Mann*

*Bernard J. Persiko*

*C. Stafford Smythe*

*Mark M. Tanz*

*Leon E. Weinstein*

*Burton Winberg*

## *Officers of the company*

*Mark M. Tanz, President*

*Robert W. Macaulay, Q.C., Executive Vice-President*

*George S. Mann, Vice-President*

*John W. M. Campbell, General Manager*

*Stanley A. Senn, C.A., Comptroller*

*Allan C. Rose, Secretary*

## To the shareholders

I am pleased to present for your consideration the Annual Report of Commonwealth Savings & Loan Corporation, for the year ending December 31, 1966.

During the year, the net profit from operations amounted to \$166,451 or 43 cents per share as compared to \$136,275 or 41 cents per share in the previous year. Total deposits rose during the year from \$20,524,000 to \$21,579,000. This increase was obtained primarily from Savings and Chequing Accounts, which increased from \$14,499,000 to 16,272,000.

The Company has continued its policy of declining to accept term deposits; and at present time deposits of this nature represent less than 2½% of our total deposits. I am further pleased to report that during the year, customer accounts rose from approximately 30,000 to over 35,000.

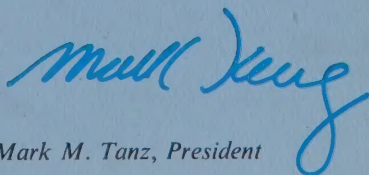
Our mortgage portfolio, representing the major part of your company's investments, remains in excellent condition. Approximately 80% of our mortgages are invested mainly in residential properties situated in Metropolitan Toronto; the

balance being secured by properties in and around the city of Ottawa. At year end, payments in arrears for which collection in full is anticipated amounted to less than 1/100 of one percent of the total mortgages outstanding.

In 1966, your Company expended \$76,000 on new branch development expenses as compared to \$289,000 during 1965. Our ten branches are now well established, and we do not presently plan to incur any new branch development costs this year.

There were several changes to our Board of Directors during the year, and I am sure you join with me in welcoming Mr. Allan J. Hammond of Ottawa, Mr. Robert R. Easton of Windsor, and Mr. Jack W. M. Campbell our General Manager, to our Board of Directors.

On Friday, February 10th, 1967, the Province of Ontario passed legislation providing deposit insurance for the customers of your company. This legislation, together with the sound base on which your company has been built, allows us to look forward with optimism to the coming year.



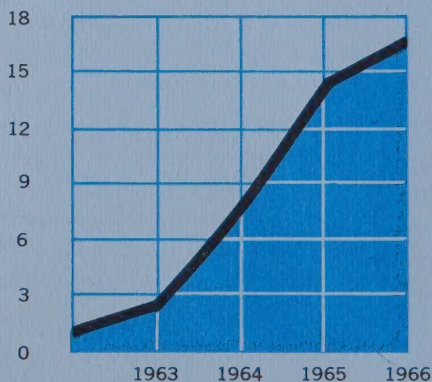
Mark M. Tanz, President



# Financial Highlights

MILLIONS  
OF DOLLARS

## SAVINGS & CHEQUING DEPOSITS



Cash and Securities

Mortgages and Loans

Shareholders' Equity

Savings and Chequing Deposits

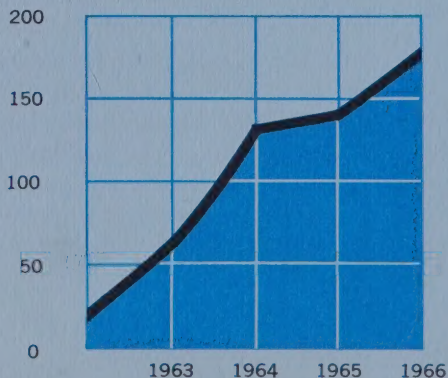
Term Deposits

Debentures

New Branch Development Expenses

THOUSANDS  
OF DOLLARS

## NET PROFIT FROM OPERATIONS



Number of Depositors

Net Profit from Operations

Dividends to Shareholders

Earnings per Share

TOTAL ASSETS

1966	1965	1964	1963
\$ 7,030,348	\$ 6,936,063	\$ 5,101,409	\$ 817,951
17,027,589	15,774,487	9,165,228	4,534,919
2,561,684	2,568,512	1,786,922	1,571,812
16,271,531	14,499,728	8,487,330	1,955,147
921,070	2,275,148	1,372,384	398,516
4,386,799	3,749,291	3,518,373	1,716,642
76,000	289,000	311,000	30,000
35,267	30,391	18,770	1,993
166,451	136,275	130,560	77,853
97,279	87,154	62,525	56,402
.43	.41*	.53*	.51*
\$25,706,985	\$24,225,937	\$15,218,088	\$5,708,252

\*Based on the average number of shares outstanding.

# Balance Sheet December 31, 1966

## Assets

	1966	1965
Cash on hand and on deposit.....	\$ 513,002	\$ 107,924
Securities, at cost plus accrued income (Note 3) <small>(Approximate market December 31, 1966)</small>		
Government of Canada and Provincial bonds. (\$2,247,961)	\$ 2,505,595	\$ 2,403,805
Canadian Municipal bonds..... ( 911,730)	1,020,060	1,020,060
Canadian Corporate bonds..... ( 161,662)	200,662	225,680
Short term notes..... ( 858,765)	858,765	404,670
Stocks..... ( 1,519,659)	1,932,264	2,773,924
	<u>\$ 6,517,346</u>	<u>\$ 6,828,139</u>
Loans secured by bonds and stocks.....	87,045	549,329
Mortgages, less allowances.....	16,940,544	15,225,158
Real estate held for sale and investment.....	290,381	315,247
Branch office premises, at cost:		
Land and buildings..... \$ 921,151		
Furniture, fixtures and equipment..... 224,197		
Leasehold improvements..... 191,709		
	<u>1,337,057</u>	
LESS: Accumulated depreciation..... 98,668	1,238,389	1,091,459
Accounts receivable.....	120,278	108,681
	<u>\$25,706,985</u>	<u>\$24,225,937</u>

The accompanying notes are an integral part of this statement.

Auditor

To the Shareholders of Commonwealth Savings & Loan Corporation:

We have examined the balance sheet of Commonwealth Savings & Loan Corporation of the accounting procedures and such tests of accounting records and other

In our opinion, the above balance sheet presents fairly the financial position

Toronto, Canada

February 13, 1967



## Liabilities

	1966	1965
Savings and chequing deposits.....	\$16,271,531	\$14,499,728
Term deposits.....	921,070	2,275,148
Debentures.....	4,386,799	3,749,291
	<u>\$21,579,400</u>	<u>\$20,524,167</u>
Bankers' advances (secured).....	1,151,000	809,000
Mortgages on branch office premises.....	392,954	304,000
Sundry accounts payable.....	21,947	20,258
	<u>\$23,145,301</u>	<u>\$21,657,425</u>

## Shareholders' Equity

### Capital Stock (Note 1)

Authorized—400,000 Common shares par value \$5 each

Issued and fully paid—389,108 shares.....	\$ 1,945,540	\$ 1,945,540
Reserve fund.....	122,000	122,000
Unappropriated surplus (Note 2).....	494,144	500,972
	<u>\$ 2,561,684</u>	<u>\$ 2,568,512</u>
	<u>\$25,706,985</u>	<u>\$24,225,937</u>

On behalf of the Board:

MARK M. TANZ, *President*

JACK W. M. CAMPBELL, *Gen. Manager*

## Report

ion as at December 31, 1966. Our examination included a general review  
porting evidence as we considered necessary in the circumstances.

he company as at December 31, 1966.

Pape, Strom, Sherman & Lavine	} Chartered Accountants
Thorne, Mulholland, Howson & McPherson	

# Statement of earnings and unappropriated surplus

for year ended December 31, 1966

	1966	1965
Operating revenue:		
Income from mortgage loans.....	\$1,337,766	\$1,001,447
Interest and dividends from bonds and stocks.....	314,302	307,716
Profit (loss) on sale of bonds and stocks.....	(31,622)	18,112
Other operating revenue.....	95,232	72,735
	<u>\$1,715,678</u>	<u>\$1,400,010</u>
Operating expenses:		
Interest on deposits and debentures.....	\$ 847,676	\$ 781,360
Salaries and staff benefits.....	356,425	237,018
Other operating expenses.....	303,371	215,702
Depreciation and amortization.....	41,755	29,655
	<u>\$1,549,227</u>	<u>\$1,263,735</u>
Net profit from operations (Note 5).....	\$ 166,451	\$ 136,275
New branch development expenses.....	76,000	289,000
Net profit (loss) carried forward.....	\$ 90,451	(\$152,725)
Unappropriated surplus at beginning of year.....	500,972	194,310
Premium received during year on the sale of capital stock.....	—	546,541
	<u>\$ 591,423</u>	<u>\$ 588,126</u>
Dividends.....	97,279	87,154
Unappropriated surplus at end of year.....	<u>\$ 494,144</u>	<u>\$ 500,972</u>



# *Notes to the Financial Statements*

*For Year Ended December 31, 1966*

## 1. EMPLOYEES' STOCK OPTIONS

At December 31, 1966, options on 8,000 shares at \$12.75 were outstanding under the company's employee stock option plan. These options expire on various dates up to 1970.

## 2. UNAPPROPRIATED SURPLUS

Included in unappropriated surplus is premium received in prior years on the sale of capital stock of the company amounting to \$1,068,836.

## 3. SALE OF SECURITIES

Subsequent to the year end, the company received \$1,676,000 from the sale of securities resulting in a loss of \$193,000. The proceeds were used to eliminate bankers' advances and to provide additional cash.

## 4. DIRECTORS' AND OFFICERS' REMUNERATION

The total remuneration paid to the directors and officers of the company during 1966 was \$29,574, (1965 — \$21,600).

## 5. INCOME TAXES

The company claims for income tax purposes new branch development expenses, and this has resulted in income tax losses in prior years which when applied to the current year's income are sufficient to eliminate any income taxes otherwise payable.

## 6. GUARANTEES

The company is contingently liable as guarantor for land rents of \$22,750 per annum, payable by the lessor of one of its branch offices to a third party.

## 7. LONG TERM LEASES

The company has entered in leasing agreements for the rental of certain branch premises. These leases which expire on various dates up to 1990 require aggregate rentals of approximately \$859,000. Rents payable during 1967 under these leases aggregate approximately \$53,000.

## General Manager's Report

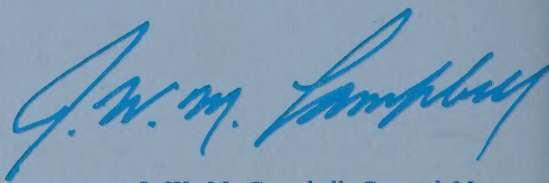
The year 1966 was a year of continued forward progress for Commonwealth. We enjoyed the finest earnings and highest deposits ever recorded in our history. This steady progress has been made possible by the continued confidence of citizens across Ontario. The 35,000 separate deposit accounts, coupled with some 900 well diversified mortgage accounts now serviced by the Company, are an indication of the increasing area of our influence.

The highlight of the year was the opening of a new branch at Queen & Lansdowne in Toronto. This well-located and attractive branch has been enthusiastically received by the people in that busy metropolitan area. We are not unmindful, however, of the growing support given us by the citizens in other areas where we are represented and we acknowledge with grateful appreciation all our friends and customers who helped make this

another successful year.

Implicit in almost all our thinking is the recognition that this organization is no stronger than the members of its staff. In a financial institution, the employees are of the greatest importance to its reputation and success. Our staff has always been of excellent calibre and as it grows in numbers, we are determined to see this standard maintained. We have had splendid loyalty and integrity on the part of all employees and to them I extend my sincere thanks for the excellent job they have done in helping to build our Corporation.

While we are justly proud of our progress, we realize full well that we cannot depend on past achievements. Therefore, the efforts of management will continue to be directed at making this a friendly institution, where efficiency can be combined with cordial relations to the advancement of all concerned.



J. W. M. Campbell, General Manager

## *Branches*

**Mr. J. C. Merritt, *Manager***  
6 Second Street East  
Cornwall, Ontario  
Phone 933-1433

**Mr. W. G. Belyea, *Manager***  
94 Princess Street  
Kingston, Ontario  
Phone 542-2837

**Mr. R. J. Acres, *Manager***  
251 Laurier Avenue West  
Ottawa, Ontario  
Phone 236-2316

**Mr. W. H. Fletcher, *Manager***  
150 Sparks Street  
Ottawa, Ontario  
Phone 236-7121

**Mr. J. DiLuca, *Manager***  
558 Bloor Street West  
Toronto, Ontario  
Phone 534-9211

**Mr. J. M. Morton, *Manager***  
1064 Eglinton Avenue West  
Toronto, Ontario  
Phone 789-2933

**Mr. J. V. Lavery, *Manager***  
2913 Lakeshore Blvd. West  
Toronto, Ontario  
Phone 259-2351

**Mr. L. G. Aldebert, *Manager***  
1497 Yonge Street  
Toronto, Ontario  
Phone 924-1196

**Mr. C. D. Cameron, *Manager***  
1468 Queen Street West  
Toronto, Ontario  
Phone 531-9908

**Mr. R. W. Defoe, *Manager***  
600 Ouellette Avenue  
Windsor, Ontario  
Phone 252-7268



